*... unites Ontario's municipalities*

Report Series 1991

# 91-4

# AMO's Response To: Back on Track, First Report of the Advisory Group on New Social Assistance Legislation

Association of Municipalities of Ontario

May 1991

# MISSION STATEMENT

AMO unites Ontario's municipalities.

We take pride in promoting, supporting and enhancing strong and effective municipal government.

We provide strategic leadership by:

- developing and effectively promoting responsive quality policy;
- informing and educating governments, the media and the public;
- marketing innovative and beneficial services.

Our elected representatives, municipal officials and association staff form a team which values and respects:

- diversity and local autonomy;
- fairness and equity;
- consultation;
- consensus;
- co-operation.

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**NOTE:** **Part 1 of this response was submitted to the provincial government on March 27, 1991. Part 2 was submitted on June 3, 1991.**

# PART 1

# EXECUTIVE SUMMARY - PART 1

In November 1990, the honourable Zanana Akande, Minister of Community and Social Services, requested the Advisory Group on New Social Assistance Legislation to report to her early in 1991 on short term actions and reforms not requiring legislative changes and which could be implemented in the 1991 provincial budget. *Back on Track* was released on March 4, 1991 and is the first report of the Advisory Group. The report contains 88 action items which can be taken in the short-term, many of which have an impact on municipal costs and administration of General Welfare Assistance (GWA).

The Association of Municipalities of Ontario (AMO) has chosen to respond to *Back on Track* in two parts. This first part response will focus on the nine cost-sharing action items contained in Chapter 13 of the Report which the Association believes must be considered as part of the provincial government's current budgetary exercise. At the end of April 1991, the Association will provide a more detailed response to the other 79 action items.

**General Recommendations**

In its Part I response, the Association first focuses on three general recommendations which establish principles for reform of the social assistance system:

AMO recommends that,

- Financial reform of the social assistance system should not be delayed to the outcomes of broader provincial-municipal financial reviews and that the Minister should respond to the recommendation of the Advisory Group on New Social Assistance calling for a change to GWA cost-sharing as soon as possible.

- Financial assistance to municipalities should be implemented through a change in the GWA cost-sharing formula towards 100% provincial responsibility as soon as possible. It is against this position that AMO has responded to the cost-sharing action items contained in *Back on Track*.

- The action items pertaining to administrative costs should be considered as secondary to a change in the GWA cost-sharing formula and as interim solutions which should ultimately lead to the province paying 100% of administrative costs.

**Recommendations on Cost-Sharing of Administration**

In the second part of it's response the Association gives qualified support for the action items on administration costs. This is based on AMO's general recommendations stated above:

AMO recommends that,

- The province should pay the full costs of the interim provincial caseload standard. Municipalities should not have to cost-share provincial standards.

- The base for determining additional 1990 staffing costs should be the interim provincial caseload standard and the province should pay 100% of municipal costs above this standard.

- For joint intake projects, not only should the portion of administrative costs attributable to FBA applications be paid by the provincial government, but also those costs of administrating GWA applications. This will then advance the move to one income maintenance system funded 100% by senior governments.

**Recommendation for Consultation on Emergency Relief Measures**

In the conclusion of AMO's response the Association notes that changes in the cost-sharing of GWA benefits and administration alone will not be expedient or sufficient in meeting the financial pressures currently experienced by many municipalities. Therefore AMO proposes a process for examining other emergency measures in order to provide immediate financial relief to those municipalities hardest hit by increases in welfare costs. AMO recommends that:

- The Ministry of Community and Social Services be requested to immediately establish a Ministry / AMO working group to develop emergency measures to provide interim relief from increased welfare costs until such time as broader social assistance reforms can be implemented.

# 1 Introduction - Part 1

The 11-member Advisory Group on New Social Assistance Legislation was established in May 1990 to provide on-going strategic advice to the Minister of Community and Social Services on new social assistance legislation. In November 1990, the honourable Zanana Akande requested the Advisory Group to report to her early in 1991 on short term actions and reforms not requiring legislative changes and which could be implemented in the 1991 Provincial budget.

The first report of the Advisory Group *Back on Track* contains 88 action items which can be taken in the short-term, many of which have an impact on municipal costs and administration of General Welfare Assistance (GWA). Broadly, the main "action items" in summary are:

- Improve benefits for people in need.
- Streamline service delivery.
- Make eligibility rules more equitable and less complex.
- Improve incentives to work.
- Pilot "opportunity planning" to foster the independence of recipients.
- Determine rates according to a "market basket" approach.
- Appoint a Council of Consumers made up of recipients to provide consumer input into social assistance reform.
- Provide financial relief to municipalities.

## 1.1 Two-Part Response

The Association of Municipalities of Ontario has chosen to respond to *Back on Track* in two parts. This first part response will focus on the nine cost-sharing action items contained in Chapter 13 of the Report which the Association believes must be considered as part of the Provincial Government's current budgetary exercise. At the end of April, the Association will provide a more detailed response to the other 79 action items.

## 2 GWA In the Context of the Broader Provincial-Municipal Financial Relationship

One underlying message of the Report is that reforms cannot proceed without addressing municipal costs. The Report states that "issues of funding and delivery of social assistance must be settled before implementation of a new system that integrates FBA and GWA. Continued uncertainty over these issues could jeopardize the reform process to which we are committed."

AMO recognizes that the GWA funding issue is part of the broader disentanglement issue and the Report of the Advisory Committee to the Minister of Municipal Affairs on the Provincial-Municipal Financial Relationship. However, the Association believes that a "general change" to provincial-municipal cost-sharing for GWA would not interfere with or prejudice this broader exercise. Furthermore, the Association would like to reiterate its concern that action on GWA cost-sharing should not be deferred or stalled by any of the more broad reviews including the disentanglement exercise, or the Fair Tax Commission.

AMO also stressed this in its response to the *Report of the PMSSR* stating "that financial reform of the social services system cannot be delayed to the final outcomes and deliberations of such a (broader) process. Sufficient evidence and support already exist for removing the funding responsibility for social assistance off the property tax base."

*Back on Track* also acknowledges that the Provincial Government is currently reviewing the whole area of provincial-municipal finance. But the Advisory Group still urged that "the funding formulas for social assistance not be left in their current state" and therefore "resolution of the issue of who pays for social assistance allowances and benefits must be reached as soon as possible." AMO concurs with this position calling for a change in GWA cost-sharing as soon as possible.

**AMO recommends that financial reform of the social assistance system should not be delayed to the outcomes of broader provincial-municipal financial reviews and that the Minister should respond to the recommendation of the Advisory Group on New Social Assistance calling for a change to GWA cost-sharing as soon as possible.**

## 3 Social Assistance Costs - Need for Immediate Relief

AMO believes it is necessary to look at changes to GWA funding immediately in order to address the increasing financial burden on municipalities. AMO also recognizes that the Provincial Government is experiencing financial pressures and is expecting a substantial deficit. However, AMO believes that this should not stand in the way of reform which is necessary not only as a result of current financial pressures but for numerous other reasons. In sum these are: recognition that the escalation in GWA costs is not a temporary phenomenon; that the property tax is an inappropriate source of revenue to fund open-ended, income redistributive programs; and, the need to stop cuts to other programs and increases in mill rates required by municipalities to meet GWA costs.

The need to address GWA costs is not only related to a temporary or emergency situation which will only last during the recession. GWA costs increases will persist even after a turn-around as a result of factors such as permanent job losses due to major economic restructuring, and changes in UIC legislation which are placing more people on GWA. The Ontario Treasurer, the honourable Floyd Laughren, recently noted this in his statement to the legislature that "we are experiencing not only the effects of a serious cyclical downturn but long-lasting structural changes .. that will impede the pace of our recovery. A fundamental difference during this recession is the higher proportion of workers affected by permanent plant closures rather than temporary layoffs."

Secondly, as stated in *Transitions* and the *Report of the PMSSR*, funding social assistance benefits should be the full responsibility of senior governments. AMO has also in its policy papers and presentations to the Provincial Government clearly established the fact that, in general, the municipal sector has a limited capacity to fund social service programs and in particular open-ended, needs-based programs such as GWA. The limited capacity is a direct result of the fact that the property tax system, with its inherent limitations and inability to reflect true "ability to pay", is an inappropriate source of revenue to fund income redistributive programs.

Finally, municipalities are having to raise funds to pay for social assistance by either cutting back on other programs or by increasing their mill rates thereby further downloading the costs of an income redistributive program onto an inappropriate tax base. *Back on Track* reiterates these concerns about the impacts of this increasing financial burden -- the pressure of expanding caseloads on municipal budgets is causing reduction or elimination of many discretionary programs cost-shared with municipalities.

To illustrate, AMO has assisted Ministry of Municipal Affairs staff in collecting mill rate data showing what percentage is attributable to GWA as well as what program and expenditure reductions and dipping into reserves have been necessary to attain that mill rate. As Table 1 on the following page illustrates, increases in net GWA budgets are expected to account for about 50% or more of the probable percent increase in mill rates. What these figures do not reveal is the cutbacks necessary in other program areas to achieve these mill rate increases. For example, many municipalities have resorted to some of the following measures: using reserves; reducing contributions to capital infrastructure / public works projects; flatlining administrative budgets; and, program cuts. Examples of program cutbacks are: closing of child care centres; transit for the disabled; elimination of "first baby" visits by public health nurses; public transit routes; parks and recreation programs; and, elimination of municipal capital contributions to hospitals.

Statements from the Provincial Government have indicated an appreciation of this situation and the need to provide some form of relief. AMO believes that the Province is committed to financial reform of the social assistance system. In this response, AMO would like to state its position and concerns regarding two different mechanisms which have been proposed for providing financial relief: change in cost-sharing or minor and complex changes to administrative costs.

The Association's position on the most appropriate mechanism for financial relief is that which has been presented to this Provincial Government since November 1990 -- that there should be across-the-board relief to all municipalities implemented through a change in the GWA cost-sharing formula towards 100% Provincial responsibility as soon as possible.

**Table I** Examples of Municipal Mill Rate Increases Due to GWA Budget Increases

| Municipality | Probable % Increase in Total Mill Rate | % Increases Due to GWA Budget Increases |
|---|---|---|
| Regions | | |
| Peel | 5.5 | 6.3 |
| Halton | 7.0 | 4.5 |
| York | 15.0 | 6.0 |
| Durham | 6.9 | 6.0 |
| Ottawa-Carleton | 7.8 | 3.9 |
| Muskoka | --- | 10-14 |
| Metro | 13.0 | 8.5 [1] |
| Niagara | 15.0 | 5.0 |
| Sudbury | 6.9 | 3.0 |
| Counties | | |
| Kent | 19.3 | 19.3 [2] |
| Separated Cities | | |
| Peterborough | 4.2 | 4.2 [3] |
| Windsor | 3.8 | 3.8 |

1 This figure would have been 10% if there had not been a significant shift of caseload from GWA to FBA.
2 Mill rate increase would have been 33% without 14% cuts in all controllable expenditures.
3 Probable that the total increase will be allocated to welfare budget; again, this increase follows after cutbacks in several other program areas.

AMO appreciates that the Provincial Government is looking at emergency measures to deal with GWA costs and that the Provincial Government is committed to moving towards assuming 100% of the costs of social assistance. However, AMO believes that administrative mechanisms for providing financial relief, such as those recommended in *Back on Track,* are necessary changes and improvements but alone will be insufficient in effectively addressing the financial pressures on Ontario municipalities. AMO's concerns are elaborated in the following section.

# 4 AMO's Response to Cost-Sharing Action Items

## 4.1 Action Items Addressing General Cost-Sharing Issues

**Action 76:**

Who pays for social assistance allowances and benefits.

"The Ontario Government must decide quickly on new funding arrangements for social services."

The Report notes that both *Transitions* and the *Report of the PMSSR* recommended that allowances and benefits be paid 100% by senior governments.

**AMO supports this action item and the Advisory Group's call for a change in GWA cost-sharing as soon as possible. In addition, as stated previously, AMO agrees with the Advisory Group that this cannot wait until the outcomes of the broader reviews on the whole provincial-municipal financial relationship.**

**Action 79:**

Principle of cost neutrality: no additional costs to municipalities

"The Minister of Community and Social Services should adopt the principle of cost neutrality for municipalities in the implementation of the reforms in this report. To ensure that municipalities do not have to spend more to implement these reforms, the province should establish a special fund to provide financial relief to those municipalities adversely affected."

The Report estimates that municipal expenditures on social assistance as a result of the proposed reforms will be reduced. Implementation is expected to save municipalities an estimated $50 million. However, there may be some municipalities that will pay more and therefore a mechanism is required to address this.

The Advisory Group states that it has, with minor exceptions, refrained from making recommendations on cost-sharing in order not to create confusion with the broader effort made in the PMSSR. In place of this, the Advisory Group believes that the concept of cost-neutrality is appropriate. It is noted that the Minister has also approved such an approach with regards to her 1991 rate increase announcement.

**AMO agrees in principle with the concept of cost neutrality. However, AMO has the following concerns about the effectiveness of this provision:**

- Measures will not Address Financial Pressures

  The Association agrees with the Advisory Group that these actions will not address the financial pressures on municipalities. The Report acknowledges that this action "will not compensate for the enormous increases in social assistance costs in 1990 and continuing into 1991."

- Administrative Complexity

  AMO questions the feasibility of administering such a concept and determining costs attributable to the proposed action items contained in *Back on Track*. For example, the current difficulty in administering the 2% and 5% "relief" provided to municipalities for the increases to the 1991 basic support and shelter subsidy rates is a case in point.

- No Assurance of Financial Assistance

  As a package, the action items are to result in $50 million "savings" to municipalities; however, the action items are presented like a shopping list from which the Minister can select, and therefore the overall impacts are indeterminate in ensuring real financial assistance to municipalities. For example, while AMO supports other action items in *Back on Track* which will financially benefit municipalities (e.g. recommendation for the faster transfer of clients from GWA to FBA), this financial benefit could be reduced or eliminated as a result of other action items which will cost municipalities (e.g. cost-sharing a provincial caseload standard).

  Secondly, $50 million distributed across the province's municipalities is insufficient in meeting the enormous cost increases experienced throughout most of the province.
  Finally, even if the whole package of action items were implemented, some municipalities will remain in the same financial position.

In place of the cost neutrality concept which is neither workable nor sufficient in addressing the financial problems facing municipalities, a change should be made in GWA cost-sharing to both ensure no

additional costs are incurred by municipalities as well as to provide financial relief for the enormous cost increases experienced in 1990 and continuing into 1991.

AMO also believes that the Advisory Group has set a precedent for this recommendation in one of its exceptions - the proposed cost-sharing changes to Supplementary Aid and Special Assistance Programs (Action 82 - discussed below).

> AMO recommends that financial assistance to municipalities should be implemented through a change in the GWA cost-sharing formula towards 100% provincial responsibility as soon as possible.

It is against this position that AMO has responded to the cost-sharing action items contained in *Back on Track*.

**Action 84:**

The cap on CAP

"The Minister of Community and Social Services should take the earliest possible opportunity to begin discussions with the federal government on the issue of maintaining Canada Assistance Plan cost-sharing."

The Report notes that at a time when recommendations are coming forward for senior governments to pay 100% of allowances and benefits, the cap on CAP means that the province will "have to bear the brunt of reform." AMO recognizes that the federal budget's major impact on Ontario and its municipalities is in the area of social policy -- the extension of the expenditure control plan.

AMO agrees that the federal government also has a responsibility to address the costs of social assistance as well as provide relief for those federal policy initiatives which have contributed to the current escalation in welfare caseloads (e.g. refugee policy and changes to UIC).

However, **AMO's position is that the answer to federal downloading is not the downloading of costs to municipal governments which must fund social assistance from an inappropriate and inequitable property tax base.**

## 4.2 Action Items Addressing Allowances and Benefits

**Action 82:**

Funding of Special Assistance and Supplementary Aid

"Special necessities should be funded by the Provincial Government at 80 per cent for GWA and 100 per cent for FBA."

The Report recommends that Supplementary Aid and Special Assistance programs become mandatory (currently municipalities, on a discretionary basis, cost share Special Assistance (GWA) at 50-50 with the federal government, and pay 20% of Supplementary Aid (FBA)). Under a mandatory system Special Assistance is proposed cost-shared with municipalities at 20% and Supplementary Aid 100% provincial.

This will cost the province $21 million (and save or cost municipalities an unspecified amount depending on current levels of involvement in these programs).

**AMO supports the recommendation that the Provincial Government pay 100% of the costs of Supplementary Aid to FBA recipients. Also, the recommendation to change cost-sharing for Special Assistance to 80% provincial is a positive move in the direction of 100% provincial responsibility.**

**However, while AMO agrees with the arguments for ensuring that Special Assistance is available in all communities, AMO does not support the recommendation that this become a mandatory program.** AMO believes that this is inappropriate at a time when support exists for removing social assistance from the property tax base. Also, since many municipalities currently do not fund Special Assistance this would amount to the downloading of the costs of social assistance benefits and the additional costs of administration to some municipalities. Therefore, AMO's position is that if municipalities are required to participate in Special Assistance then the Provincial Government should pay 100% of the costs.

## 4.3 Action Items Addressing Administration

AMO recognizes the attempt of the action items pertaining to administrative costs to provide some relief to municipalities for expenses previously not cost-shared

with the province. However, these do not recognize AMO's position that administration costs should also be a 100% senior government responsibility (in AMO's responses to *Transitions*, the *Report of the PMSSR* and in it's presentation to the Advisory Group on New Social Assistance Legislation). AMO continues to support the position that based on the principle of disentanglement, municipalities should not cost-share services over which they have no decision-making authority.

The difficulty AMO has in responding to these action items, as with the whole package of proposed reforms, is that the net effect of these changes is unclear. For example, the benefits of extending provincial cost-sharing to administrative costs previously not covered may be eliminated a result of higher administrative costs resulting from actions on increased eligibility, faster processing of applications and cost-sharing of a provincial caseload standard. As stated previously the benefit to municipalities is indeterminate in the context of other action items and cannot be evaluated without knowing which action items the Minister will adopt.

Therefore, AMO gives qualified support to these action items based on the following positions:

- The primary action should be a change in the GWA cost-sharing formula as this will definitely provide financial relief, is the simplest to implement and the fairest way to provide financial assistance.

- The action items pertaining to administrative costs are secondary and interim solutions which should ultimately lead to the province paying 100% of administrative costs.

**AMO recommends that the action items pertaining to administrative costs should be considered as secondary to a change in the GWA cost-sharing formula and as interim solutions which should ultimately lead to the province paying 100% of administrative costs.**

### 4.3.1 Cost-Sharing of a Provincial Caseload Standard

**Action 77:**

Funding for new province-wide caseload standard

"The province and municipalities must share at the existing 50-50 formula the costs of meeting the province-wide GWA caseload standard."

The estimated cost to the province (the federal government actually pays for administration) is $8.5 million and to municipalities it is $8.5 million. The report notes that this is an interim measure and subject to further provincial-municipal review and negotiation.

Currently, caseloads have far exceeded the recommended standard. For example, the average Ontario case / caseworker ratio in January 1991 was approximately 138:1. Table II illustrates the range in this ratio across select municipalities. Clearly, meeting the provincial caseload standard will result in significant costs to municipalities.

**Table II** GWA Case / Caseworker Ratio

| Municipality | Jan 1991 Case/Caseworker |
|---|---|
| City of Barrie | 178 |
| Essex County | 159 |
| York Region | 214 |
| City of Pembroke | 213 |
| City of Kingston | 168 |
| Dufferin County | 173 |
| Halton Region | 164 |

Source: OMSSA Caseload Statistics, January 1991.

**AMO recommends that the province should pay the full costs of the interim provincial caseload standard. Municipalities should not have to cost-share provincial standards.**

### 4.3.2 Extension of Provincial Cost-Sharing to Costs Previously Excluded

AMO recognizes the intent of these action items related to the extension of provincial cost-sharing to previously excluded administrative costs -- to provide financial assistance to municipalities and to address the inequities in the current funding of administrative costs. AMO has qualified support for these action items based on its position previously stated.

**Action 78:**

Commitment to cost-share with municipalities additional 1990 staffing costs

"The Provincial Government should agree to fund the additional staffing costs incurred by municipalities in 1990 under the existing 50 per cent formula."

The Report notes that because of increased numbers of people on GWA in 1990, municipalities have hired more staff without any guarantee that such spending will be cost-shared by the province. Also, due to budget constraints, some municipalities have allowed client-to-staff ratios to rise steeply. Therefore the Report recommends that the province agree to cost-share these additional staffing costs.

**AMO supports the intent of this action item but recommends that the following provisions be added in accordance with the Association's recommendation on the provincial caseload standard.**

> AMO recommends that the base for determining additional 1990 staffing costs should be the interim provincial caseload standard and that the province should pay for 100% of municipal costs above this standard.

**Action 80:**

Non-Approved Administrative Expenditures

"The province should make a commitment to cost-sharing at 50 per cent the major administrative expenses, such as rent, postage, telephone, computer development, supplies, accounting and janitorial services, that are not now covered under the Canada Assistance Plan."

The Report recognizes that non-approved administrative costs for essential items not covered under CAP should be cost-shared as with other administrative expenses.

This will cost the province $15 million annually and save municipalities the same.

**AMO supports this action item. As previously stated in both its response to *Transitions* and the *Report of the PMSSR*, AMO recommends that all costs of administration should be covered by senior government funding and ultimately at 100% of costs.**

**Action 81:**

Joint Intake Projects

"The province should fund the administration of joint FBA-GWA intake projects at 100 per cent."

A number of municipalities are participating in pilot projects to administer GWA and FBA applications out of the same municipal office. Adminstration is currently cost-shared at 50-50. If the province assumed 100% of these costs, this would mean an estimate $4.5 million savings to municipalities.

**AMO supports the intent of this action item which advances the social assistance system towards one income maintenance program. However, AMO recommends the following additional provision:**

> AMO recommends that for joint intake projects, not only should the portion of administrative costs attributable to FBA applications be paid by the Provincial Government, but also those costs of administrating GWA applications. This will then advance the move to one income maintenance system funded 100% by senior governments.

**Action 83:**

Northern Ontario and First Nations

"There should be cost-sharing for part-time social service administrators in areas of the province where there is no upper-tier level of government."

In northern unconsolidated municipalities and in First Nations funding of administration is to be provided as in the rest of the province at 50% provincial. Elsewhere in the Report it is recommended that consolidated delivery through District Welfare Administration Boards (DWABs) be reviewed.

**AMO supports this action item.**

# 5 Conclusion - Part 1

In sum, AMO's fundamental position is that a change in the cost-sharing formula for GWA is the simplest and fairest way to provide financial assistance to municipalities. Secondly, the action items pertaining to administrative costs are secondary and interim solutions which should ultimately lead to the province paying 100% of these costs. It is against this position that AMO has responded to the cost-sharing action items contained in *Back on Track*.

AMO would like to have further discussions with the Minister of Community and Social Service on this issue as well as consult on the other 79 action items proposed in *Back on Track*. As stated earlier, the Association will be submitting its full response at the end of April.

AMO believes that it is necessary to still look at other emergency measures in order to provide immediate financial relief to those municipalities hardest hit by increases in welfare costs. Changes in the cost-sharing of GWA benefits and administration alone will not be expedient or sufficient in meeting the current financial pressures experienced by many municipalities. AMO therefore would like to reiterate a request the Association made in February to the Minister of Community and Social Services, the honourable Zanana Akande, that a meeting be held immediately to discuss what emergency relief measures her Ministry is considering. AMO therefore recommends, as an immediate step, the formation of a Ministry/AMO working group to begin this work:

**AMO recommends that the Ministry of Community and Social Services be requested to immediately establish a Ministry / AMO working group to develop emergency measures to provide interim relief from increased welfare costs until such time as broader social assistance reforms can be implemented.**

# PART 2

# EXECUTIVE SUMMARY - PART 2

This part of AMO's response addresses the 79 other action items in *Back on Track* which deal with changes in GWA and FBA regulations and administrative practices. As most of the action items are of a technical nature and related to administrative practices, AMO requested that its affiliate, the Ontario Municipal Social Services Association (OMSSA), share its response with the Association.

AMO wishes to reiterate that its response to these action items is subject to the position of the Association on cost-sharing articulated in Part 1 of this response. AMO continues to support the position that reforms to social assistance which increase allowances and benefits should not be implemented until there is a resolution of cost-sharing responsibilities. AMO and OMSSA also agree that further consultation with municipal representatives on numerous action items is required before implementation can proceed.

Benefits

Action items related to benefits look at issues which affect the adequacy of support provided to people who receive social assistance. They also deal with matters related to fairness and equity and the elimination of some of the unnecessary complexity in the administration of the system. AMO supports OMSSA's call for further review and consultation with municipalities on items such as the development of a list of mandatory special necessities, and changes to the definition of the personal needs allowance and its extension to persons in hostels. AMO supports the proposed changes to benefits, however, clarification and further information is required on items such as overpayments, and assistance to individuals in hospitals and battered persons who flee the home.

Delivery

Several major delivery issues are addressed in order to simplify procedures, reduce the time for processing applications and reduce unnecessary intrusiveness into clients' personal lives. AMO agrees with OMSSA's position that pilot projects in self declaration should be 100% provincially funded; that further study is required on the home visit approach; and, that a faster determination of eligibility should first be subject to the development of standards agreeable to both the province and municipalities and the availability of provincial

funding for the additional staff resources required. AMO also agrees with OMSSA's support of the move to address the FBA backlog through the faster transfer of clients from GWA and provincial staff increases.

Empowerment and Education

The main emphasis of these action items is to create a new and open relationship between the system and the people who receive social assistance. AMO endorses OMSSA's support for all of these action items such as the establishment of a council of consumers and the distribution of information on how the social assistance system works.

Eligibility

These action items look towards making the determination of eligibility fairer to some people who may have been inappropriately excluded from social assistance without regard to need. AMO agrees with OMSSA that many of the action items pertaining to conditions of eligibility require further information and consultation. As a result, qualified support or no position is given for many of the action items such as the eligibility of 18 to 20 year olds and employable 16 and 17 year olds. Also, qualified support is given to those action items which do not address the need for consistency between provisions in the GWA and FBA programs such as the second property rule and the grace period for assets.

Job Search and Work Incentives

Recommendations are made on job searches and incentives to employment for people who receive social assistance. AMO agrees with OMSSA's qualified support for most of these action items and agrees with OMSSA's recommendations for further study and consultation on issues such as conditional eligibility and job searches.

Rights

Action items on rights look at balancing the protection of the rights of the individual against a fairly administered financial assistance program for persons in need. Again, AMO concurs with OMSSA's support of these action items and the call for consultation with municipalities in further addressing the development of an enforcement strategy for social assistance regulations and directives and a policy for the withholding of social assistance cheques.

| | |
|---|---|
| First Nation Communities | These action items highlight some of the concerns of First Nations communities. AMO agrees with OMSSA that ONWAA is a more appropriate Association to comment on these action items. |
| Other Programs and Transfers of Authority | Recommendations are made regarding parallel reforms in programs such as child care and employment services. AMO agrees with OMSSA's support for these action items and its recommendation that the analysis of parallel reforms should acknowledge the current role of municipalities in the delivery, funding and management of employment programs. |
| Human Resources | These action items are recommended to further address issues concerning caseload standards and a human resources strategy and training. AMO supports OMSSA's position on these action items subject to consultation and negotiation with municipalities on appropriate client-to-staff ratios and the resolution of cost-sharing responsibilities as recommended in Part 1 of this response. |
| Looking Ahead | AMO agrees with OMSSA's support of the action items in this section which propose as a high priority provincial government funding for pilot opportunity planning projects and the determination of rates according to a "market basket" approach. |

# 6 Introduction - Part 2

This part of AMO's response deals with the 79 other action items in *Back on Track* which deal with changes in GWA and FBA regulations and administrative practices. As most of the action items are of a technical nature and related to administrative practices, AMO requested that its affiliate, the Ontario Municipal Social Services Association (OMSSA), share its response with the Association. AMO is closely involved with OMSSA in the analysis and development of municipal policies and positions on social services; AMO acknowledges OMSSA's particular expertise on the administration and delivery of general welfare assistance and believes this should be recognized in the development of reforms.

In general, AMO supports OMSSA's position in all but a few cases. For each action item, under the heading 'AMO's Response', the OMSSA position is first stated. AMO has commented only on those items for which its position is different from OMSSA's (action items 5, 11, 15.3, 16, 36 and 48.1).

AMO wishes to reiterate that its response to these action items is subject to the position of the Association on cost-sharing articulated in Part 1 of this response. AMO stated in its response to *Transitions* that reforms to social assistance which increase allowances and benefits should not be implemented until there is a resolution of cost-sharing responsibilities. The Association has continued to support this position in its response to *Back on Track* by making the resolution of cost-sharing issues AMO's first priority in Part 1 of this policy report. AMO and OMSSA also agree that further information and consultation with municipal representatives on numerous action items is required before implementation can proceed.

# 7 Discussion of Action Items

## 7.1 Benefits - Improve benefits for people in need.

These action items deal with issues which affect the adequacy of support provided to people who receive social assistance such as special necessities and personal

needs allowances. They also deal with matters related to fairness and equity and the elimination of some of the unnecessary complexity in the administration of the system.

AMO supports OMSSA's call for further review and consultation with municipalities on items such as the development of a list of mandatory special necessities, and changes to the definition of the personal needs allowance and its extension to persons in hostels. AMO supports the proposed changes to benefits, however clarification and further information is required on items such as overpayments, and assistance to individuals in hospitals and battered persons who flee the home.

**Action 1**

The Minister should make a commitment to making special necessities mandatory benefits for people receiving social assistance. A list of special necessities should be included in the GWA and FBA regulations.

**AMO's Response**

Support as an interim measure.

OMSSA supports the provision of special necessities to clients, particularly with respect to health related items. The list of special necessities and costs per item must be a product of consultation between the province and municipal representatives. Prefer 100% provincial funding and delivery of health items through mainstream providers. AMO agrees with OMSSA subject to the resolution of cost-sharing as discussed in Part 1 of this response.

**Action 2**

Basic dental care should be extended under FBA to single parents and others. Basic dental care for GWA recipients should be included as a mandatory special necessity under GWA regulations.

**AMO's Response**

Support as an interim measure.

OMSSA believes that dental services, as an health item, should be delivered through mainstream providers (MOH). OMSSA supports dental care as a special necessity, in the short term with the preferred funding and delivery at 100% provincial.

**Action 3**

Needs tests for Supplementary Aid and Special Assistance should be standardized and consistently applied across the province.

AMO's Response

Support.

**Action 4.1**

There should be commitment to extending the personal needs allowance in GWA and FBA to all people in need in institutions and hostels. People should not be denied this allowance based on the category of institution.

AMO's Response

Support.

OMSSA believes that personal needs allowances should be provided where the municipality has an agreement with a host. Inclusion of the personal needs allowance via GWA or the hostel budget is an issue for further review. In the case of institutions, the personal needs allowance should be paid by the institution.

**Action 4.2**

The personal needs allowance should clearly be made an item of general assistance for those who receive it under GWA. This way, there will no longer be any local discretion as to whether the allowance is paid or not.

AMO's Response

Support.

As stated in response to action item 4.1.

**Action 4.3**

Regulations and guidelines under FBA and GWA should be amended to raise the personal needs allowance to $135 a month from $100.

AMO's Response

Support.

OMSSA supports the higher rate to meet the principle of adequacy, and recommends a yearly indexation for inflation. The definition of what is covered by the personal needs allowance to be defined by the province, municipalities and consumers.

**Action 4.4**

The Ministry of Community and Social Services should adopt a policy that previous overpayments should not be deducted from a recipient's personal needs allowance.

AMO's Response

Support.

Further information is required. OMSSA supports this item in relation to the personal needs allowance only, that is, a more comprehensive policy on over payments in general is required as applied to GWA and FBA.

**Action 5**

Boarders should be eligible for a mandatory personal needs allowance of $135 monthly.

AMO's Response

Support.

However, AMO recommends that the action item be amended to state "except in circumstances where the boarder is living in his or her parents' home."

**Action 6**

The distinction between profit and non-profit boarding rates should be abolished and the allowance equalized at the for-profit rate.

AMO's Response

Support.

**Action 7**

The rate distinction between single employable and temporarily unemployable people under GWA should be abolished.

AMO's Response

Support.

OMSSA assumes the rate will be equalized at the higher rate.

**Action 8**

While in hospital, people on social assistance should continue to receive their full allowances for at least three months, with provision for an extension if appropriate.

**AMO's Response**

Support.

Further information is required. Need to clarify the intent; i.e. protect a person's original residence by ensuring the shelter component of basic needs is paid or to provide benefits while in the hospital in addition to the basic needs. Implementation issues to be resolved.

**Action 9**

A battered woman who has fled the home and who is in need should be granted social assistance for three months. Extensions should be allowed based on individual circumstances.

**AMO's Response**

Qualified Support.

OMSSA supports the provision of assistance to battered persons although further information is required. Battered persons, as any other person in need, are granted assistance. Is the intent to have battered persons self-declare in order to receive assistance? OMSSA would not support the creation of additional categories of assistance. Criteria need to be developed.

7.2 Delivery - Streamline service delivery

The following action items deal with several major delivery issues in order to simplify procedures, reduce the time for processing applications and reduce unnecessary intrusiveness into clients' personal lives.

AMO agrees with OMSSA's position that pilot projects in self declaration should be 100% provincially funded; that further study is required on the home visit approach; and, that a faster determination of eligibility should first be subject to the development of standards agreeable to both the province and municipalities and the availability of provincial funding for the additional staff resources required.

AMO also agrees with OMSSA's support of the move to address the FBA backlog through the faster transfer of clients from GWA and provincial staff increases. AMO supports OMSSA's call for further information and consultation on joint intake, and the redirection of funds to a third party.

**Action 10**

Municipalities and First Nations communities should be invited to make proposals to participate in pilot projects in self-declaration. There should be several pilots in different areas of the province, both urban and rural. Area Offices of the Ministry of Community and Social Services should work with the pilot projects to ensure that the application process for FBA is also simplified and expedited.

**AMO's Response**

Qualified Support.

OMSSA supports in principle the testing of self-declaration pilots. OMSSA recommends pilots in both GWA and FBA since there is no indication that municipal practices are more intrusive that FBA. Literacy is a concern in a self-declaration model. 100% provincial funding for the pilot is necessary.

**Action 11**

The requirement for a home visit should be abolished. Home visits should only be made at the request of an applicant or recipient.

**AMO's Response**

Further Study Required, Work in Progress.

Further information is required. The text says that the home visit is "*Intrusive, a policing mechanism and considered...a demeaning inspection of their home life.*" OMSSA feels that there may be value in an initial home visit which provides a personal and private opportunity to explain the system. OMSSA is developing a position paper on the home visit approach.

However, AMO does not support this action item pending further study.

**Action 12**

People seeking assistance from GWA offices should have their applications taken and their eligibility determined within two working days of first contact with a GWA worker. Where eligibility is established, payment should be calculated from date of application.

**AMO's Response**

Support.

OMSSA supports in principle a two day turn-around, contingent upon provincial approval and funding for additional staff resources. Standards need to be developed that are agreeable to both the municipal and provincial programs.

**Action 13**

Applications for social assistance must be taken in all cases. The right to make an application should be confirmed and promoted throughout the system.

**AMO's Response**

Support.

As stated in response to action item 12.

**Action 14**

A clear policy statement should be distributed throughout the system affirming that all decisions on rejection of an application for assistance or reduction or cancellation of an allowance must be provided in writing. In addition, the person must be advised in writing of his or her right to appeal.

**AMO's Response**

Support.

As stated in response to action item 12.

**Action 15.1**

The FBA regulations should be revised so that an applicant who originally applies and is found eligible under an existing FBA category is deemed to be eligible for FBA from the date of application for GWA.

**AMO's Response**

Support.

OMSSA supports the move to address the FBA backlog. The benefit to clients of the higher rate is desirable. OMSSA anticipates that this regulation change would also mean a retroactive payment to the municipality from the same date of application.

**Action 15.2**

All people receiving GWA for two consecutive years should be deemed to be eligible for FBA in the 25th month.

**AMO's Response**

Support as an interim measure.

OMSSA supports the recognition that long term receipt of GWA signals client barriers outside of a strict medical disability such as the case of the "socially unemployable". OMSSA supports this item as an interim measure pending integrated legislation.

**Action 15.3**

Staffing in provincial FBA offices should be increased to handle the backlog of application for the program.

**AMO's Response**

Qualified support.

OMSSA supports the action item in principle, with the understanding that municipal resources are forthcoming.

However, AMO supports this action item given that provincial staff increases are already being implemented to address the case backlog.

**Action 15.4**

More municipal and provincial offices should experiment with joint intake processes for GWA and FBA.

**AMO's Response**

Support.

OMSSA supports the 100% provincial cost of joint intake. Further consultation with municipal and provincial representatives is warranted.

**Action 16**

The Ministry of Community and Social Services should establish a $5 million annual fund to provide more support for services and materials in languages other than English and French.

**AMO's Response**

Support.

This fund will support municipal initiatives already underway.

However, AMO does not support this action item.

**Action 17**

The practice of directly depositing social assistance payments in bank account of the recipient's choosing should be encouraged by the Ministry of Community and Social Services in its own offices and municipal offices.

**AMO's Response**

Support.

OMSSA would be interested in reviewing the results of the Peterborough pilot project. This material should be widely distributed so that municipalities can make informed decisions prior to proceeding.

**Action 18**

People who receive GWA should have the same protection as recipients of FBA against redirection of their social assistance allowance to a third party.

**AMO's Response**

Non Support.

Further information is required. Municipal policies re: pay-directs are contingent upon client choice and are by exception. In many cases, payments to landlords, hydro etc. prevent evictions and arrears. OMSSA supports client independence and therefore recommends consultation with municipal and provincial representatives.

**Action 19**

Unconsolidated counties should begin the process of consolidating for the purposes of administering social assistance.

**AMO's Response**

Support.

The Ministry and affected municipalities to proceed immediately.

**Action 20**

The Ministry of Community and Social Services and municipal representatives should begin the process of reviewing the role of District Welfare Administration Boards (DWABs), including issues involved in consolidating service delivery in Northern districts that do not now have a DWAB.

**AMO's Response**

Support.

The Ministry and affected municipalities to proceed immediately.

7.3 Empowerment and Education - Appoint a Council of Consumers

The main emphasis of these action items is to create a new and open relationship between the system and the people who receive social assistance.

AMO endorses OMSSA's support for all of these action items such as the establishment of a council of consumers and the distribution of information on how the social assistance system works.

**Action 21**

The Ministry of Community and Social Services should give commitment immediately on behalf of the government of Ontario to establish a Council of Consumers composed of social assistance recipients who are members from local organizations. Self-help groups, consumer advocacy and other advocacy groups and the community at large should be asked for their ideas on the structure and specific mandate of the Council.

**AMO's Response**

Support.

OMSSA recommends the establishment of a secretariat composed of municipal and provincial staff to provide support and information to the Council as required.

**Action 22**

Where possible, resources from Special Assistance and Supplementary Aid budgets should be used to purchase services and goods from self-help groups to encourage people receiving social assistance to run their own self-support neighbourhood services.

**AMO's Response**

Support.

OMSSA recommends an alternate means of funding these groups. Special Assistance is a discretionary and costly program. MCSS should explore the provision of community grants or seed money for entrepreneurial

activities via the $54M announced for employment programs.

**Action 23**

A communications strategy should be developed by the Communications and Marketing Branch of the Ministry of Community and Social Services to ensure that accurate, timely and relevant information, prepared by a variety of sources, is provided to people receiving social assistance on how the system works and what their rights, responsibilities and opportunities are.

AMO's Response

Support.

These efforts should be a cooperative effort by provincial and municipal staff. MCSS to fund the costs.

**Action 24**

The Ministry of Community and Social Services should indicate by directive that any applicant or recipient is entitled to be accompanied or represented by an advocate when dealing with the social assistance system.

AMO's Response

Support.

**Action 25**

The Communications and Marketing Branch of the Ministry of Community and Social Services should develop plans for a public education campaign to inform people about social assistance and the reform agenda.

AMO's Response

Support.

See comment to action item 23.

**Actions 26.1**

Legal counsel for the Ministry of Community and Social Services should explore all avenues for prohibiting by regulation any disclosure of names of persons receiving social assistance, including release of names during closed sessions of municipal council.

AMO's Response

Support.

**Action 26.2** Should regulatory change not be possible, a directive should be sent to all municipal councils and provincial offices stating the government's opposition to the release of names of persons receiving social assistance.

**AMO's Response** Support.

**Action 26.3** In addition, the office of the Information and Privacy Commissioner should be asked for a legal opinion on the impact of the new Municipal Freedom of Information and Protection of Privacy Act on disclosure of names to council members.

**AMO's Response** Support.

7.4 Eligibility - Make eligibility rules more equitable and less complex.

These action items look towards making the determination of eligibility fairer to some people who may have been inappropriately excluded from social assistance without regard to need. These support the Advisory Group's basic position that the system should move in the direction of need as the sole criterion for providing assistance.

AMO agrees with OMSSA that many of the action items pertaining to conditions of eligibility require further information and consultation. As a result, qualified support or no position is given for many of the following action items such as the eligibility of 18 to 20 year olds and employable 16 and 17 year olds. Also, qualified support is given to those action items which do not address the need for consistency between provisions in the GWA and FBA programs such as the second property rule and the grace period for assets.

**Action 27** Regulations under General Welfare Assistance should be clarified to ensure that GWA is extended to all eligible persons working full-time who are in need.

**AMO's Response** Support.

This has been a standing position of OMSSA since the introduction of the STEP initiative.

**Action 28**

A new regulation should be introduced for single parents so that they do not have to go through an imposed waiting period before being eligible for Family Benefits.

AMO's Response

Support.

This will reduce unnecessary delays and municipal expenditures through GWA.

**Action 29**

Regulations should be amended to clarify that eligibility on the basis of residency does not require an applicant to have a permanent address.

AMO's Response

Support.

Further information is required re: intent. The guidelines are quite clear regarding the permanent address issue.

**Action 30**

Residency rules should be formally separated from home visits.

AMO's Response

Support.

Further information is required re: intent.

**Action 31**

The regulations under GWA should be clarified to ensure that all people (visitors and out-of-status claimants) applying for landed immigrant status as refugees are considered to be fulfilling the residency requirement for eligibility.

AMO's Response

Support.

Further information is required. Categorical eligibility is the first line of enquiry, then residency status. This action is confusing in its intent. The province is urged to negotiate with the federal government to resolve the outstanding issues re: refugees.

AMO would like to add that the welfare costs attributable to refugees should be the responsibility of the federal government as indicated in the following resolution recently passed by the AMO board of directors:

> Be it resolved that the Government of Canada be requested to take all necessary steps to eliminate the welfare cost burden on Ontario municipalities caused by the influx of refugees into Canada.

**Action 32**

Youth aged 18 to 20 living in parental home should be granted assistance in their own right where they are in need and where:

1) they have lived independently outside the home for a certain minimum period, such as six months, and have returned home to resume secondary-level education; or
2) they have been receiving social assistance while living outside the home, have returned home with the intention of living there independently, paying room and board, and have either returned to school or are looking for work; or
3) they provide an affidavit stating that their parent or parents cannot support them financially in the home.

**AMO's Response**

Qualified Support.

Further information is required. Further consultation with municipal representatives is warranted to develop a list of specific conditions that will meet the objectives in the short and long term.

**Action 33**

Employable persons aged 16 and 17 who are in need and who are living outside the family home should be eligible for assistance unless there are special circumstances that indicate that they should not be eligible.

**AMO's Response**

Qualified Support.

Clear guidelines from the Ministry are imperative. OMSSA would support a provincial directive that requires municipalities to have a policy in place, that is consistently and equitably applied. The issue is one that requires public debate.

**Action 34**

Self-employed persons who are in need, should not, in principle be automatically ruled ineligible for GWA. Work on a consistent set of province-wide guidelines covering assessment of self-employed income should begin immediately.

AMO's Response

Support.

Single parents have always been eligible as self-employed persons. Extending eligibility to self-employed individuals is not a short term reform. The relationship of employment, a work test etc. for employable persons should also remain part of the larger policy exercise to reform the legislation.

**Action 35**

A grace period of six months should be allowed in which a person receiving social assistance may retain assets related to small business, farming, or other defined "tools of the trade" up to a specified ceiling. An extension beyond six months should be granted, based on a review of individual circumstances.

AMO's Response

Support.

There are no asset provisions within GWA. Consistency between the GWA and FBA programs is important.

**Action 36**

The rule governing ownership of a second property as grounds for ineligibility for FBA should be abolished.

AMO's Response

Support.

However, AMO has qualified support for this action item. AMO supports the concept of consistency and therefore believes that the second property rule should be subject to further consideration (e.g. under GWA it is dealt with on a case-by-case basis; it may be

appropriate to continue this). AMO therefore recommends that the action item be changed by adding "so that this can be dealt with on a case-by-case basis."

**Action 37**

The wording of the FBA regulation that applies to saving for necessary items should be extended to GWA.

**AMO's Response**

Support.

**Action 38**

The rules related to "inadequate consideration" and the spending down of assets or income to obtain social assistance should be revoked.

**AMO's Response**

Qualified Support.

The concept and process needs to be explored and developed and must be applicable to both GWA and FBA.

**Action 39**

In line with the Henson judgment, regulations should be changed to allow persons with disabilities to receive small or moderate estates without losing their allowances and benefits.

**AMO's Response**

No Position.

Further information is required re: the Henson case. Is this an FBA issue only or does it apply to GWA as well?

**Action 40**

The Ministry of Community and Social Services should withdraw its appeal of the Social Assistance Review Board decision on disability determination.

**AMO's Response**

No Position.

Further information is required.

**Action 41**

The medical advisory board should be required to provide written reasons for its advice on disability determination.

| | |
|---|---|
| **AMO's Response** | Support. |
| **Action 42** | Couples aged 60 to 64 should be made eligible for FBA on the same basis as single persons. |
| **AMO's Response** | Support. |
| **Action 43** | The discharge payment for persons leaving an institution and moving into a home in their community should be extended to become a community start-up payment. It should be made available, on a consistent basis under both GWA and FBA, to persons leaving institutions and to others in need who are setting up an independent residence. |
| **AMO's Response** | Qualified Support.<br><br>Further information is required. Is this a last month's rent provision? Is this to be an item of basic need, or a special necessity? Is it mandatory or discretionary. Consultation with municipal representatives is required. (i.e. maximum payments, frequency, pay-direct etc.). |
| **Action 44.1** | The provincial government should enter discussions with the federal government on terms of an immigration agreement that would include resolution of the sponsorship issue. |
| **AMO's Response** | Qualified Support.<br><br>Negotiations and consultation with municipalities should be a part of the process. |
| **Action 44.2** | Pending resolution of the sponsorship issue through federal-provincial negotiations, social assistance should be made available to sponsored immigrants who are in need and who sign an affidavit stating that their sponsor is not providing support. |
| **AMO's Response** | Qualified Support.<br><br>As above. |

**Action 45**

Couples receiving GWA and FBA should receive double the single rate.

**AMO's Response**

No Position.

Tie to rate adequacy.

**Action 46**

The Minister of Community and Social Services should press the Attorney General to implement changes in the Family Law Act to extend laws relating to support obligation for couples of the same sex.

**AMO's Response**

No position.

OMSSA supports the equity principle but recommends the policy be developed within the larger public context i.e. not a social assistance issue alone. This is a longer term issue which cannot be addressed in the short term.

**Action 47**

The $40 boarder charge levied against two unrelated persons sharing accommodation should be abolished. Boarder charges should remain for normal boarding circumstances.

**AMO's Response**

Qualified Support.

It is not defensible in today's economic environment to discourage economies of scale achieved through shared accommodation. The item should be extended to two related individuals as well.

7.5 Job Search and Work Incentives - Improve incentives to work.

The following action items look at job searches and incentives to employment for people who receive social assistance.

AMO agrees with OMSSA's qualified support for most of these action items and agrees with OMSSA's recommendations for further study and consultation on issues such as conditional eligibility and job searches.

**Action 48.1** — The regulation requiring any person to take any job of which he or she is physically capable should be changed to refer to "suitable employment".

**AMO's Response** — AMO does not support this action item.

**Action 48.2** — The Minister of Community and Social Services should write to all municipal councils stating that job searches may be suspended in instances where they are not warranted.

**Action 48.3** — Criteria should be developed indicating what factors welfare administrators should take into account in requiring job searches.

**Action 48.4** — The section of FBA regulations that says benefits may be cancelled or suspended if a person is unwilling to accept employment should be abolished.

**Action 48.5** — The reference to history of employment in the GWA regulations should be abolished.

AMO's Response — Further Study Required, Work in Progress.

Consultation with municipal and provincial representatives is required. These action items speak to the conditions imposed in order to receive assistance. As such, it is premature to comment within the context of existing legislation, practices and policies. Changing the wording to suitable employment does not remove what the Advisory Group saw as an arbitrary rule. In fact, suitable employment could create additional disputes between staff and clients as to whose definition of suitable employment is acceptable.

Section 3 of the Regulation has always allowed the Administrator to waive the job search requirement. In the short term, a directive as opposed to a regulation change may be more appropriate as it provides direction and leadership from the Ministry and allows the work of the project teams and policy exercise to unfold.

The reference to the history of employment in the GWA Regulations also acts as an identification of barriers to employment for income maintenance and employment services staff. There is value in determining

the difficulties an individual has experienced in the past as a means of identifying an appropriate action plan for the future. As such, there may be reasons to retain the reference, in some form, within the regulations and guidelines.

The Ministry, in conjunction with OMSSA, should develop a policy and clear set of guidelines for this area. OMSSA is in the process of preparing a paper on conditional eligibility.

**Action 49**

As an interim step, the tax-back rate on income above the level of allowable exemptions under the Supports to Employment Program should be reduced from 80 per cent to 66 2/3 per cent.

**AMO's Response**

Qualified Support.

This is clearly a benefit to clients. OMSSA would support this recommendation with the understanding that the special fund for municipal costs would in fact, cover the municipal expenditures in this area.

**Action 50**

The calculation of the deduction for child care expenses under the Supports to Employment Program (STEP) should be changed to ensure that the full value of the deduction is realized.

**AMO's Response**

Qualified Support.

As above, notwithstanding OMSSA's concern that affordable, licensed child care is the best alternative for clients and their children. Efforts to enhance child care provisions through the STEP initiative should not detract from improvements to the larger child care system.

**Action 51**

In addition to the basic exemption under STEP, persons with disabilities who receive social assistance should be allowed to deduct specified work-related expenses, including those attributable to disabilities, at their actual cost.

**AMO's Response** — Support.

Parameters and guidelines need to be developed. Extension of these provisions to the able-bodied needs to be explored.

**Action 52** — All mandatory deductions, including union dues and pension contributions, should be considered in the definition of net income under STEP.

**AMO's Response** — Qualified Support.

See comment to action item 49.

**Action 53** — The treatment of income under STEP should be the same for both job training and employment earnings. The employment start-up benefit should be available to persons beginning training, as well as those entering the workforce.

**AMO's Response** — Support.

**Action 54** — All people receiving social assistance should be allowed to average their employment earnings over six months.

**AMO's Response** — No Position.

Further information is required particularly with respect to operationalizing the concept within GWA. Client choice is an important consideration in moving to an earnings averaging formula; clients should not face financial difficulties as a result of earnings fluctuations from one month to the next. Consultation with municipal representatives is warranted.

**Action 55** — All persons with disabilities who receive social assistance and who take training away from home should be eligible for the special accommodation (second residence) benefit that is now only available to participants in the Vocational Rehabilitation Services Program.

**AMO's Response**

Qualified Support.

OMSSA would suggest consideration of this provision to all social assistance recipients, not just persons with disabilities. This might prove beneficial for individuals in remote areas who would benefit from travelling to an urban centre for training.

### 7.6 Rights

These action items look at balancing the protection of the rights of the individual against a fairly administered financial assistance program for persons in need.

Again, AMO concurs with OMSSA's support of these action items and the call for consultation with and involvement of municipalities in further addressing the development of an enforcement strategy for social assistance regulations and directives and a policy for the withholding of social assistance cheques.

**Action 56**

An enforcement strategy should be developed to ensure that social assistance regulations and directives are implemented in a reasonable and timely fashion. This enforcement strategy should also include decisions by the Social Assistance Review Board.

**AMO's Response**

Support.

OMSSA and municipal representatives should be consulted on this item. The action item speaks to minimum standards and therefore any strategy should be a cooperative venture between the province and municipalities. As municipalities have a responsibility to enact provincial directives, the province has an equal responsibility to enforce the provisions and policies as directed. Provincial leadership and direction in this area is critical. OMSSA and municipalities are not aware that the "MCSS [has] allocated funds for a monitoring strategy." Details should be made available.

**Action 57**

A simple and straightforward in-house appeal procedure should be established to settle disputes over GWA and FBA at the local level. Disputes that remained

unresolved could still be taken to the Social Assistance Review Board for a decision.

**AMO's Response** — Support.

**Action 58** — A definitive opinion should be sought on the legality of the current practice of withholding social assistance cheques. The Ministry of Community and Social Services should act on that opinion. In addition, a policy must be developed to ensure that cheques are not withheld for information purposes only.

**AMO's Response** — Support.

OMSSA participation in developing this policy would help ensure its applicability and adaptability to municipalities.

### 7.7 First Nation Communities

These action items highlight some of the concerns of First Nations communities. It is based on a report from the First Nations communities project team.

**Actions** 59.1 - 65
**AMO's Response** — AMO agrees with OMSSA that ONWAA is a more appropriate Association to comment on these action items.

### 7.8 Other Programs and Transfers of Authority

A number of other programs have an impact on social assistance recipients. These action items look at parallel reforms in programs such as child care and employment services. *Back on Track* notes that an interministerial committee has been established to deal with these issues.

AMO agrees with OMSSA's support for these action items and its recommendation that the analysis of parallel reforms should acknowledge the current role of municipalities in the delivery, funding and management of employment programs.

**Action 66**

The Ministries of Community and Social Services, Education, Colleges and Universities and Skills Development should review provincial training and employment programs to identify ways to improve coordination and effectiveness.

**AMO's Response**

Qualified Support.

The action item as stated, does not acknowledge the important contribution made by municipalities in the delivery, funding and management of the program. Municipalities should be consulted in the process. OMSSA would also recommend the inclusion of the Ministry of Labour in any negotiations given their mandate re: plant closures, early warning systems re: layoffs, etc.

**Action 67**

The Ontario government should expand its efforts to combat the serious illiteracy problem in the province.

**AMO's Response**

Support.

**Action 68**

The Ministries of Education and Citizenship and Culture should work together with the federal government to remove the systemic barriers, including lack of access to child care, preventing immigrants from receiving English or French as a Second Language training. They should also provide adequate funding to meet the demand for training.

**AMO's Response**

Support.

**Action 69**

More services for people with disabilities should be delivered through mainstream programs.

**AMO's Response**

Qualified Support.

OMSSA believes that <u>all</u> disadvantaged groups should be served by the mainstream. The marginalization and segregation of these groups defeats any goal of client independence and integration into the community.

**Action 70**

The Minister of Community and Social Services should urge the Attorney General to consider amendments to the Family Law Act that would redress the lower standard of living faced by women after family breakdown and that would provide a stronger direction to the courts in determining adequate support, particularly for children.

AMO's Response

Support.

**Action 71**

The Ontario Student Assistance Program should provide post-secondary students with an adequate income that makes it unnecessary for them to apply for social assistance.

AMO's Response

Support.

This action item has been a long-standing position of OMSSA.

**Action 72**

Planning should commence to transfer the foster parent program from social assistance legislation to the Child and Family Services Act.

AMO's Response

Support.

**Action 73**

An action plan should be developed by the Ministry of Community and Social Services in consultation with community groups, to merge the Handicapped Children's Benefit and the Special Services at Home program and to transfer the integrated program to the Child and Family Services Act.

AMO's Response

Support.

Merging these programs would achieve the goals of adequacy and equity.

## 7.9 Human Resources

Several of the other action items in the report are expected to lessen the pressure on front-line workers who have been faced with high workload increases. The following action items are recommended to further address caseload standards and a human resources strategy and training.

AMO supports OMSSA's position on these two action items subject to consultation and negotiation with municipalities on appropriate client-to-staff ratios and the resolution of cost-sharing responsibilities as recommended in Part 1 of this response.

**Action 74**

Negotiations should commence between the Ontario government and municipal representatives on an appropriate client-to-staff ratio. In the interim, for the purposes of the 1991 municipal budget year, the 90:1 GWA client-to-worker ratio and the 1:6:2 supervisor-worker-clerical staff ratio that is established in the integrated FBA/GWA sites should be used as a basis for immediate action.

AMO's Response

Support.

While OMSSA applauds this action item, the current caseload and workload issues are extremely complex and may or may not be resolved as a result of the 90:1 ratio. OMSSA is currently developing a new model for consideration. The provincial commitment of resources and the approval to hire staff is critical. OMSSA believes that municipal expenditures in this area should be covered through the special fund. Consultation and negotiation with municipal representatives is imperative.

**Action 75**

A human resource strategy committee and a training committee should be established immediately to begin work on necessary human resources planning to facilitate the implementation of social assistance reform.

AMO's Response

Support.

OMSSA is pleased to see the recognition of OMSSA leadership and expertise in the training of municipal staff. Furthermore, the cooperative nature of both committees, involving municipal and provincial staff will build on the strength of both partners. OMSSA will be pleased to be involved throughout the process from the creation of Terms of Reference through implementation.

### 7.10 Provincial-Municipal Cost-Sharing

AMO's response to the cost-sharing action items were dealt with in Part 1 of this response.

### 7.11 Looking Ahead

These action items are recommended by the Advisory Group as a high priority. *Back on Track* calls for the government to make a formal commitment to ensure their implementation.

AMO agrees with OMSSA's position on these action items such as provincial government funding for pilot opportunity planning projects and the determination of rates according to a "market basket" approach.

**Action 85**

The Ministry of Community and Social Services should provide $5 million in seed money for at least six pilot projects to experiment with methods of opportunity planning in a variety of communities.

**AMO's Response**

Support.

Support for opportunity planning has been a long standing position of OMSSA.

**Action 86**

The Ministry of Community and Social Services should make a commitment to follow up on the work of the Benefit Structure project team to use a market basket approach to establish a standard of adequacy for social assistance allowances and benefits.

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| **AMO's Response** | Support.<br><br>AMO stated in its response to *Transitions* that allowance levels should use a "basket of goods" approach which should met the basic requirements of recipients. The system should also recognize regional variations in the cost of living. |
| **Action 87** | The interministerial committee on social assistance reform should make child care a priority issue. |
| AMO's Response | Qualified Support.<br><br>OMSSA supports the expansion and enhancement of the child care system in Ontario. However, there is concern that tying child care to an exploration of social assistance reform, maintains a linkage to the social assistance system which detracts from child care as a public service. Further information on the work of this interministerial committee is needed. |
| **Action 88** | The Ministry of Community and Social Services should launch a study of the pay period for social assistance. |
| AMO's Response | No Position.<br><br>Further information is required. OMSSA and municipalities should be a part of any review undertaken. |

## 8 Conclusion - Part 2

AMO agrees with OMSSA's support of many of the action items discussed in Part 2 of this response. However, as noted in response to several of the items, qualified support or no position is given subject to further information and consultation with municipalities.

AMO would also like to re-emphasize its position that the changes in GWA and FBA regulations and administrative practices recommended in these action items must be looked at in the context of AMO's position on cost-sharing as articulated in Part 1 of this response.

As noted in *Back on Track*, many of the action items discussed in Part 2 will have a financial impact on municipalities. While AMO has agreed in principle with the concept of cost neutrality recommended by the Advisory Group, the Association believes it will not address current financial pressures, it will be administratively complex, and it will not provide assurance of financial assistance. In place of the cost neutrality concept which is neither workable nor sufficient in addressing the financial problems facing municipalities, AMO has reiterated its position that a change should be made in GWA cost-sharing to both ensure no additional costs are incurred by municipalities as well as to provide financial relief for the enormous cost increases experienced in 1990 and continuing into 1991.

AMO continues to believe that, as stated in its response to *Transitions*, social assistance reforms should not be implemented until there is resolution of cost-sharing responsibilities. In its response to *Transitions* the Association expressed serious concern that if the recommendations were implemented in an ad-hoc and incomplete manner, municipalities would be forced to continue funding GWA under existing cost-sharing arrangements which the SARC identified as being inequitable and inappropriate. AMO therefore recommended that the province should take <u>immediate action</u> towards assuming full financial responsibility of GWA before taking steps to significantly increase allowances and benefits. However, following the SARC, provincial reforms were implemented which addressed certain aspects of SARC's recommendations but did not

address the municipal costs of social assistance improvements. AMO believes the province has been selective in its implementation of SARC reforms, and has not placed sufficient emphasis on those reforms related to financial responsibility for general welfare assistance. In fact, many of the reforms which have been implemented have contributed to the increase in municipal welfare costs such as the Supports to Employment Program (STEP) which has placed additional financial burden on municipalities.

AMO is concerned that if the implementation of *Back on Track* reforms follows the same path as the implementation of SARC reforms then municipalities will once again be forced to continue funding further social assistance reforms under existing cost-sharing arrangements. Therefore, AMO would like to restate its fundamental position that a change in the cost-sharing formula for GWA is the simplest and fairest way to provide financial assistance to municipalities and that other action items which will significantly increase costs for allowances and benefits should not proceed until cost-sharing is resolved.

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